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**ARTICLES OF INCORPORATION OF
CASTLEWOOD RANCH PAIRED OWNERS ASSOCIATION, INC.**

In compliance with the requirements of the Colorado Revised Nonprofit Corporation Act, Sections 7-121-101 through 7-137-301, C.R.S., as amended, the undersigned, of full age, has this day, for the purpose of forming a non-profit corporation, certified as follows:

ARTICLE 1. NAME

The name of the corporation is CASTLEWOOD RANCH PAIRED OWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE 2. PRINCIPAL OFFICE

The principal office of the Association is c/o KB Home Colorado, Inc., 5975 S. Quebec Street, Suite 300, Centennial, Colorado 80111.

ARTICLE 3. REGISTERED AGENT

Cynthia M. Myers, whose address is 5975 S. Quebec Street, Suite 300, Centennial, Colorado 80111, is hereby appointed the initial registered agent of this Association, and such address shall be the registered address of this Association.

ARTICLE 4. PURPOSE AND POWERS OF THE ASSOCIATION

Section 4.1. This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the maintenance, repair, replacement, preservation and architectural control of certain property and improvements within the property described on Exhibit A to the Declaration (as hereinafter defined), and any additions thereto as may hereafter be brought within the jurisdiction of this Association (hereinafter collectively called the "Community"), and to promote the health, safety and welfare of the residents within the Community, and to:

4.1.1. exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Castlewood Ranch Paired, hereinafter called the "Declaration," applicable to the Community and recorded or to be recorded in the Office of the Clerk and Recorder of Douglas County, Colorado, as the same may be amended, clarified and supplemented from time to time, said Declaration being incorporated herein as if set forth at length (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined);

4.1.2. have and exercise any and all powers, rights and privileges which a corporation organized under the Colorado Revised Nonprofit Corporation Act by law may now or hereafter have or exercise;

4.1.3. exercise any powers enumerated in these Articles of Incorporation or in the Bylaws of the Association; and

4.1.4. exercise any other powers incidental to the governance and operation of the Association, including without limitation those powers granted in CCIOA.

ARTICLE 5. MEMBERSHIP

The Owners of each Lot which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the Association. Following termination of the Community, the membership shall consist of all former Owners entitled to distribution of proceeds under CCIOA or their heirs, personal representatives, successors or assigns. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains. Each Lot shall have one (1) membership in the Association and there is only one (1) Member per Lot even if the Lot is owned by multiple Owners.

ARTICLE 6. VOTING RIGHTS

Section 6.1. All Members shall have voting rights as more fully provided in the Declaration, these Articles of Incorporation and the Bylaws of the Association, but subject to any limitations or restrictions contained therein.

Section 6.2. Cumulative voting is prohibited.

ARTICLE 7. BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors of five (5) directors, except that the Board which shall serve until fifty-percent (50%) of the Lots that May Be Included have been conveyed to Owners other than the Declarant, shall consist of three (3) directors. Directors shall be Members which, in the case of any Members who are not natural persons, may include the directors, officers, members, partners, employees, or authorized agents of each such Member. Notwithstanding the foregoing, the number of directors may be changed from time to time as provided in the Bylaws; provided, however, that the number of directors may not be greater than nine (9) nor less than three (3). The names and addresses of the Persons who are to act in the capacity of directors until the selection of their successors are:

NAME	ADDRESS
Cynthia M. Myers	5975 S. Quebec Street, Suite 300 Centennial, Colorado 80111
Henry Maloney	5975 S. Quebec Street, Suite 300 Centennial, Colorado 80111
Doug Shelton	5975 S. Quebec Street, Suite 300 Centennial, Colorado 80111

The successors to the initial and subsequent Board of Directors shall be appointed or elected in the manner set forth in the Bylaws.

ARTICLE 8. DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the Members to whom at least sixty-seven percent (67%) of the votes in the Association are allocated. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE 9. OFFICERS

The Board of Directors shall appoint a president, a secretary, a treasurer and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the corporation. The officers shall have such duties as may be prescribed in the Bylaws and shall serve at the pleasure of the Board of Directors.

ARTICLE 10. DURATION

The Association shall exist perpetually.

ARTICLE 11. LIMITED LIABILITY OF DIRECTORS AND OFFICERS; INDEMNIFICATION

Section 11.1. There shall be no personal liability, either direct or indirect, of any director or officer of the Association to the Association or its Members, for monetary damages for any breach(es) of duty as a director or officer; except that this provision shall not eliminate the liability of a director or officer, to the Association or its Members, for monetary damages for any breach, act, omission or transaction as to which the Colorado Revised Nonprofit Corporation Act (as in effect from time to time) expressly prohibits the elimination of liability. This provision is effective on the date of incorporation of the Association, and shall not eliminate or limit the liability of a director or officer to the Association or to its Members for monetary damages for any act or omission occurring prior to such date. However, this provision shall not limit the rights of directors or officers of the Association for indemnification or other assistance from the Association. Also, this provision shall not restrict or otherwise diminish the provisions of Section 13-21-116(2)(b), Colorado Revised Statutes, as amended, or any other law that would limit or eliminate liabilities. Any repeal or modification of the foregoing provisions of this Article by the Members, or any repeal or modification of the provisions of the Colorado Revised Nonprofit Corporation Act which permits the limitation or elimination of liability of directors or officers, shall not adversely affect any elimination of liability, or any right or protection, for any breach, act, omission or transaction that occurred prior to the time of such repeal or modification.

Section 11.2. The Association shall indemnify its directors and officers as now or hereafter required by the Colorado Revised Nonprofit Corporation Act or CCIOA, and may

indemnify its directors, officers, and employees as otherwise permitted by law or as the Board may deem appropriate from time to time.

ARTICLE 12. AMENDMENTS

Section 12.1. These Articles of Incorporation may be amended by the votes of at least two-thirds (2/3) of the Members voting at an annual or special meeting of the Members at which a quorum is present in person or by proxy; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration. In addition to the foregoing, these Articles of Incorporation may be amended by a vote of Members by written ballot as provided in the Bylaws of the Association.

Section 12.2. Notwithstanding the foregoing, the Board of Directors may at any time amend these Articles of Incorporation, without Member action, as provided in the Colorado Revised Nonprofit Corporation Act (§7-130-102 or other applicable section(s)).

ARTICLE 13. HUD OR VA APPROVAL

During the 75% Control Period, the following actions shall require the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has a guarantee(s) on one or more first Security Interests, and HUD or VA require their approval of the action: annexation of additional real property; amendment of these Articles of Incorporation; termination of this Community; merger, consolidation or dissolution of the Association; or mortgaging of Common Area.

ARTICLE 14. CONFLICT OF PROVISIONS

In case of any conflict between the Declaration and these Articles of Incorporation, the Declaration shall control. In the case of any conflict between these Articles of Incorporation and the Bylaws of the Association, these Articles of Incorporation shall control.

ARTICLE 15. FILING

The name and address of the incorporator is: Cynthia M. Myers, KB Home Colorado, Inc., 5975 S. Quebec Street, Suite 300, Centennial, Colorado 80111.

The name and mailing address of the individual who causes this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, is: Cynthia M. Myers, KB Home Colorado, Inc., 5975 S. Quebec Street, Suite 300, Centennial, Colorado 80111.